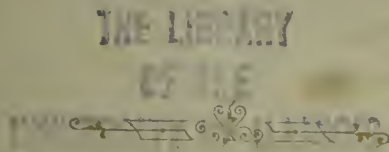


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DESCRIPTION

OF THE

Chesapeake and Ohio Railway,

AND OF ITS

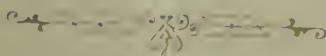
IMPROVEMENTS AND CONNECTIONS,

NOW IN PROGRESS, WITH

*Full Particulars Concerning the Securities
of the Company.*



NOVEMBER 1st, 1880.



C. B. WHITING & CO.,
Worcester, Mass.

A
DESCRIPTION
OF THE
CHESAPEAKE AND OHIO
RAILWAY,
AND OF ITS
IMPROVEMENTS AND CONNECTIONS,
NOW IN PROGRESS, WITH
FULL PARTICULARS CONCERNING THE SECURITIES
OF THE COMPANY.

NOVEMBER 1, 1880.

385.4
C42 fi

The revival of business throughout the country, and returning prosperity in industrial and commercial interests generally, and more especially in iron, coal, lumber, and kindred industries, to which the natural resources of the country tributary to the line of THE CHESAPEAKE AND OHIO RAILWAY bear so important a relation; together with the arrangements which have been made for perfecting its rail connections and terminal facilities, and for fulfilling its original design as a short, low grade trunk line from the West to the Atlantic Coast, are now bringing this road into great prominence, and attracting to it the attention which, in consideration of its important advantages, and the relations which it is destined to bear to the industrial and transportation interests of the country, it merits.

To answer in convenient form the numerous inquiries addressed to us with reference to the present condition and traffic of the road, the improvements, and connections now in progress, and for information concerning the securities of the Company, we have prepared the following statement.

We trust that it will be found to contain the information sought for by those whose inquiries in person and by mail it is designed to answer.

Very respectfully,

FISSK & HATCH.

New York, November 1, 1880.

P 59042

BOARD OF DIRECTORS

OF THE

CHESAPEAKE AND OHIO RAILWAY COMPANY.

C. P. HUNTINGTON,	-	-	-	-	-	-	-	-	-	New York.
A. A. LOW,	-	-	-	-	(A. A. Low & Bros.,)					"
A. S. HATCH,	-	-	-	-	(Fisk & HATCH,)					"
ELIAS S. HIGGINS,	-									"
JOHN CASTREE	-	-	-	-						"
JESSE HOYT,	-	-	-	-	(Jesse Hoyt & Co.,)					"
A. E. ORR,	-	-	-	-	(David Dows & Co.,)					"
EZRA WHEELER,	-	-	-		(Ezra Wheeler & Co.,)					"
EDWARD T. TOURNIER,	-	-	-	-						"
WMS C. WICKHAM,	-	-	-	-						Virginia.
JOHN ECHOLS,	-	-	-	-						"

C. P. HUNTINGTON, President.

A. S. HATCH, First Vice-Pres. WMS. C. WICKHAM, Second Vice-Pres.

E. T. TOURNIER, Secretary and Treasurer.

Executive Offices in New York, - - - No. 9 NASSAU STREET.

General Offices Transportation Department, - - RICHMOND, VA.

Eastern Freight and Passenger Office, - No. 229 BROADWAY, N. Y.

Coal, Lumber, and Shipping Agency, - - No. 22 PINE ST., N. Y.

Transfer Office, - - - No. 9 NASSAU STREET, N. Y.

Registrar of the Stock, - THE CENTRAL TRUST COMPANY, N. Y.

THE CHESAPEAKE AND OHIO RAILWAY.

The very important progress that has been made within the past few months, toward perfecting the connections and terminal facilities of the Chesapeake and Ohio Railway, will be seen from the following statement :

THE CHESAPEAKE AND OHIO RAILWAY, as now completed and in operation, is 432 miles in length, traversing from east to west the States of Virginia and West Virginia.

It extends from Richmond, Virginia, to the west bank of the Big Sandy River (the boundary line between the States of West Virginia and Kentucky), where it forms a junction with the Elizabethtown, Lexington and Big Sandy Railroad, now being rapidly constructed to form the connecting link, *via* Lexington, Kentucky, between the Chesapeake and Ohio and the railroads of the West and Southwest.

In addition to its 432 miles of main line, it has over 100 miles of branches to Coal and Iron Mines, and sidings, making a total track of about 540 miles.

EASTERN TERMINI.

Its eastern terminus heretofore has been at the City of Richmond, with an extension to the James River, about two miles below the city, where it has a mile of water front, with wharves and other facilities for the transshipment of coal, lumber and general merchandise,

and where vessels drawing fifteen feet of water can receive and discharge their cargoes.

The Company have made arrangements for the immediate construction of a road from their present line near Richmond down the Peninsula, between the York and James Rivers, to Newport News, which is located on the deep waters of the Chesapeake Bay, at Hampton Roads, near the Capes of Virginia and the open sea.

Ample means have been provided for the construction of this road and for the erection of wharves and warehouses at Newport News, and the work will be commenced at once, and completed within the next six months.

The length of road required to be built for this purpose is about 75 miles. As the route lies through a level, tide-water country, it can be rapidly built. When completed it will bring the eastern terminus of the Chesapeake and Ohio system to the best harbor, and the most convenient and accessible shipping port, on the Atlantic coast, where vessels of the largest capacity can arrive, load, and depart, at all seasons, without obstruction from ice, without regard to tides, and without the aid of tow-boats or necessity of pilotage.*

* Lieut. Maury, speaking of the relative merits of commercial harbors, and of the roadstead in the vicinity of which the deep water terminus of the Chesapeake and Ohio Railway will be located, gives the depth of water that can be carried out, and distance from the open sea of the Principal harbors on the Atlantic coast, as follows:

Hampton Roads, distant	15 miles—depth	28 feet,
New York, “ 30 “	3½ fathoms,	23 “
Boston, “ 100 “	3½ “	21 “
Philadelpnia, “ 100 “	3¼ “	23 “
Baltimore, “ 160 “	2¼ “	16 “

And says: “ Between the three last and the sea there is a tedious bay navigation, but each of the first two is situated upon a well sheltered harbor, that opens right out upon the sea, with beautiful offings, those of Hampton Roads surpassing the others in all the requirements of navigation, both as to facility of ingress and egress, certainly of land fall, depth of water, and holding ground.”

Newport News is 150 miles nearer the open sea than Baltimore, 85 miles nearer than Philadelphia or Boston, and 15 miles nearer than New York ; and its harbor (Hampton Roads) is the favorite resort and rendezvous for vessels seeking or awaiting freights.

Coastwise or foreign bound vessels can enter at Newport News, load with grain, coal, lumber, oil and other products of the interior, and get 500 miles to sea on their voyage to destination, during the time in which a vessel could ordinarily work her way from Hampton Roads up the Chesapeake Bay to Baltimore, load, and get back to the Capes of Virginia.

WESTERN CONNECTIONS.

The road has its principal Ohio River terminus at the City of Huntington, 150 miles above Cincinnati and 315 miles below Pittsburgh. Until the rail connections west, now in progress, are completed, its Western connections are made at this point by means of steamboat and barge transportation on the Ohio River, which will always afford an important contribution to its traffic.

THE ELIZABETHTOWN, LEXINGTON AND BIG SANDY RAILROAD has been recently completed from the junction with the Chesapeake and Ohio at the Big Sandy River, 8 miles below Huntington, to Ashland, Kentucky, on the Ohio River, 15 miles below Huntington, and trains are now running to that point.

The distances intervening between Ashland and rail connections west are as follows, viz. :

From Ashland to Portsmouth, Ohio, on the north bank of the Ohio River, where connection will be made with the Scioto Valley Railroad for Chillicothe, Columbus, Toledo, Chicago, and the Northwest, about 33 miles. Parties interested in the Scioto Valley Railroad are now

building a railroad from Portsmouth to a point opposite Ashland, to form a connection with the Elizabethtown, Lexington and Big Sandy and the Chesapeake and Ohio, which will be completed within three months.

From Portsmouth to Cincinnati, about 110 miles.

From Ashland to Cincinnati, by either the Kentucky or Ohio bank of the river, about 140 miles.

THE ELIZABETHTOWN, LEXINGTON AND BIG SANDY RAILROAD COMPANY was organized under a charter from the State of Kentucky, for the purpose of building a road from a junction with the Chesapeake and Ohio at the Big Sandy River, near where it empties into the Ohio, eight miles below Huntington, to Lexington, Kentucky, where it will connect with the Louisville, Cincinnati and Lexington Railroad for Louisville, St. Louis and the South West, with the Kentucky Central and the Cincinnati Southern, northward to Cincinnati, and southward to Chattanooga.

Thirty-three miles of this road, from Lexington eastward to Mount Sterling, were built in 1873. In the month of June last the remainder of the road was put under contract, and the route via Ashland, Kentucky, determined upon; since which time the road has been completed from the Big Sandy River to Ashland, as above stated, from which point there are 14 miles more of completed road to Rush Station, leaving 75 miles to be completed to perfect the through connection, all of which is in process of rapid construction.

With the completion of the above link the Chesapeake and Ohio Railway will become a great trunk line, having decided advantages in grades and climate over the older east and west lines; and also in distances from nearly all important points west of the Alleghenies to the sea-

board, and from all points south and west of Cincinnati and St. Louis to Washington, Baltimore, Philadelphia, New York and Boston.

The Springfield, Jackson and Pomeroy Railroad Co. have recently changed their road (formerly narrow gauge) from Springfield to Jackson, Ohio, to the standard gauge, and propose extending it down Symmes Creek to the Ohio River, opposite Huntington, to connect with the Chesapeake and Ohio, making a short line to Chicago and the North-West via Springfield and Dayton.

The Chesapeake and Ohio Railway Co. has a franchise for bridging the Ohio River at Huntington.

The Ohio and West Virginia Railroad Co. are rapidly completing their road from Logan, Ohio, where it intersects the Hocking Valley Railroad, to Gallipolis on the Ohio River, near the mouth of the Kanawha, about 40 miles above Huntington, and about 35 miles from Scary on the line of the Chesapeake and Ohio, from whence, by a favorable route along the Kanawha River, connection may be made via the Ohio and West Virginia, the Hocking Valley and the Columbus and Toledo, forming a short low grade line, to Toledo and the North-West.

DISTANCES, GRADES, &C.

The grades on the Chesapeake and Ohio Railway do not at any point reach eighty feet to the mile, and, except for short distances at one or two points, do not exceed sixty feet. From the Ohio River coming East the summit of the Alleghenies is reached with an average grade of ten feet to the mile and a maximum grade of twenty-nine feet.

Chesapeake and Ohio Railway.

TABLE SHOWING COMPARATIVE DISTANCES BETWEEN ATLANTIC PORTS AND PRINCIPAL WESTERN RAILROAD CENTRES, BY THE CHESAPEAKE AND OHIO RAILWAY, AND ITS PROJECTED CONNECTIONS, AND BY THE OTHER TRUNK LINES.

MILES FROM PORT OF	To Cincinnati.	To Louisville.	To St. Louis.	To Memphis.	To Nashville.	To Columbus, O.	To Indianapolis.	To Chicago.
Richmond, via Ches. and Ohio	573	643	913	1020	828	564	688	832
Baltimore, via Balt. and Ohio	589	696	929	1073	881	513	705	839
Philadelphia, via Penn. R. R ...	668	778	964	1155	963	548	736	823
New York, via Erie Railway	861	988	1201	1365	1173	755	935	983
New York, via N. Y. Central	883	940	1144	1393	1176	761	830	980
Boston, via N. Y. Central	941	998	1202	1426	1234	829	888	1038

TABLE SHOWING THE DISTANCES BETWEEN WASHINGTON AND WESTERN CITIES *via* THE CHESAPEAKE AND OHIO, WITH ITS PROPOSED CONNECTIONS AND OTHER ROUTES.

DISTANCE FROM WASHINGTON, VIA	To Cincinnati.	To Louisville.	To Memphis.	To Nashville.	To St. Louis.	To Chicago.
Chesapeake and Ohio Railway ...	593	663	1,040	848	933	852
Baltimore and Ohio Railroad.	567	670	1,047	855	903	813
Pennsylvania Central Railroad	646	753	1,130	938	989	842

About 350 miles of the main track are laid with steel rails, and the iron rails on the remainder are being replaced with steel, out of the current revenues of the road, as fast as renewals become necessary.

It is contemplated to renew the entire track with steel

rails during the next year, after which the average annual charge for maintenance of way will be much less than at any time since the completion of the road.

The cost of relaying the track with steel rails has been paid entirely out of the earnings of the road, and included in the operating expenses.

The amounts paid out and charged to operating expenses for new steel rails during each of the last four fiscal years have been as follows, viz: For the year ending Sept. 30, 1877, \$95,358,71 ; 1878, \$82,570,54 ; 1879, \$177,140,07 ; 1880, \$206,723.49, a large proportion of which, as well as of the cost of fastenings and laying (which has also been charged into the current operating expenses) may be considered as extraordinary expenses in excess of the average annual cost of renewals after the whole road has once been laid with steel rails.

The advantages in climate of the Chesapeake and Ohio over lines further north or south are important, and render it a superior route both for passengers and freight at all seasons of the year. Its trains are never obstructed or delayed by snow, and the heat in summer is never sufficiently intense or long continued to be injurious to any class of freight.

SUMMARY OF CONNECTIONS.

The present connections of the Chesapeake and Ohio Railway are, at the western end, with the Elizabethtown, Lexington and Big Sandy Railroad, as above described ; with the Cincinnati, Big Sandy and Pomeroy Packet Company's line of boats, and with the tonnage generally of the Ohio River in steamboats and barges, to Cincinnati, and to all points and railroad connections on the Ohio and Mississippi Rivers ; and, at the

east, with the Old Dominion Steamship Company's Line of Steamers to New York ; with the Richmond and Danville Railroad, and the Richmond and Petersburg, and Atlantic Coast line, to points South and Southeast ; and with steamers and sailing vessels for coastwise and foreign shipment.

It also has connection with the Washington City, Virginia Midland and Great Southern Railroad at Charlottesville for Lynchburg and the South, and at Gordonsville for Washington and the North, and with the Baltimore and Ohio, via the Valley Road and Harper's Ferry, for Baltimore and the North.

The Shenandoah Valley Railroad, extending from Waynesboro', Va., on the line of the Chesapeake and Ohio to Hagerstown, Md. (where it connects with the Cumberland Valley Railroad), a distance of 143 miles, has 100 miles finished, and track laying is progressing rapidly on the balance, which is nearly all graded. It is expected that this road will be completed and in operation through from Waynesboro' to Hagerstown in January next, when it will form a new and important connection to the Chesapeake and Ohio, and open the way to a new through, all-rail freight and passenger line, from the West and South West via the Reading and Central Railroad of New Jersey, to New York City, also to Philadelphia via the Reading, and to Baltimore via the Western Maryland.

RESOURCES AND ADVANTAGES FOR LOCAL AND THROUGH TRAFFIC.

Among the chief resources on the line of the road for local business are Coal, Iron and Lumber, of which the quantities, qualities and varieties are probably unequalled by those on the line of any other railroad in the country, and which can be cheaply produced and transported to market.

A rapidly increasing business is being developed in these products, which will be greatly facilitated and enlarged by the completion of rail connections west, and by the construction of the road from Richmond to Newport News.

The Coals are of the bituminous and semi-bituminous character, viz. : Cannel, Splint, Gas and pure bituminous Steam Coals, and are of superior character and quality for use in the various mechanic arts for which they are severally adapted.

The Iron Ores comprise nearly all the varieties used in the manufacture of iron and steel, and the deposits are of unusual magnitude. Since the recent revival in the iron trade and advance in the price of iron, attention has been attracted anew to the facilities for iron manufacture on the line of the Chesapeake and Ohio Railway, and several new furnaces and kindred enterprises are now in progress of construction and preparation.

THE LOW MOOR IRON COMPANY have constructed during the past year, and recently put in blast, one of the largest and best equipped iron furnaces in the United States.

It has been demonstrated beyond question by actual working, and is now universally conceded by iron experts who have examined into the matter, that iron can be manufactured on the line of this road, and put into the prominent markets, at a lower cost than in any other part of the country.

The Lumber consists of Oak, Yellow Poplar, Black Walnut, Hickory, Cherry, Sycamore, Pine and other varieties in demand for use in large quantities, of which there are virgin forests of great extent on the line of the road and tributary streams.

The sections of country which it traverses, and which it will directly reach through its western connections, will supply a large trade in agricultural products and live stock.

The road has had a considerable business in transporting refined and crude Petroleum for direct export from Richmond, the oil being brought from Pittsburgh and vicinity in barges to Huntington, where oil tanks have been erected for the accommodation of this trade, and from thence transported over the Chesapeake and Ohio Railway and loaded into foreign vessels at Richmond and points below. By the completion of the road to Newport News this trade may be greatly facilitated and largely increased.

A large through tonnage of the products of the Ohio and Mississippi valleys will be drawn over the Chesapeake and Ohio Railway for shipment from Newport News, when the route is completed as contemplated. For the tobacco, hemp, grain, live stock, provisions, etc., of Kentucky, and the country tributary to the Ohio, as well as for the cotton of the Southwestern States, it will be the natural short route to the sea; while it will afford to the breadstuffs of the Northwest an uninterrupted and economical outlet, at all seasons of the year, over light grades and through an equable climate, to the most favorable shipping point on the Atlantic coast; where the cost and delay in transshipment will be reduced to the minimum; where expensive transfers will be avoided; and where the entrance and exit can be effected with an ease and facility to which no other port can offer a parallel.

The superiority of Hampton Roads as a harbor, by reason of its easy approach from the sea, its accessibility at all seasons of the year, its safe anchorage, and

its wide expanse of waters of varying depths adapted to all classes of vessels, has long been well known and appreciated by mariners and vessel owners, by whom the establishment of a shipping port at Newport News will be hailed with satisfaction.

Numerous Medicinal Springs and places of Summer Resort are situated on and near the line of the road, among them the Greenbrier White Sulphur Springs, the travel to which is constantly increasing from all parts of the country, and will be still further largely increased, especially from the west, by the extension of rail connections. Several of these valuable resorts have recently passed into the hands of capitalists, who are making extensive improvements for the accommodation of visitors.

EQUIPMENT.

The present equipment of the road is as follows, viz :

Locomotives, 88 ; Cars of all kinds, 3,182, including Passenger Cars, 31 ; Parlor Cars, 1 ; Sleeping Cars, 4 ; Officers' Cars, 2 ; Pay Cars, 1 ; Baggage, Mail and Express Cars, 15 ; Fast Freight Cars, 42 ; Box Freight Cars, 828 ; Eight-wheel Coal Hoppers, 659 ; Four-wheel Coal Hoppers, 311 ; Jimmies, 241 ; Gondolas, Plain, 290, Hopper Bottom, 280 ; Platform Cars, 126 ; Stock Cars, 111 ; Coke Cars, 20 ; Conductors' Cars, 55 ; Shanty Cars for laborers, 25 ; Derrick Cars, 3 ; Gravel Flat Cars, 137.

In addition to the above :—50 Box Cars, 20 Hopper Bottom Gondolas and 4 Locomotives contracted for and not yet delivered.

CAPITAL STOCK AND BONDED DEBT.

The Capital Stock and Bonded Debt of the Company are as follows, viz. (Sep. 30, 1880):

CAPITAL STOCK.

First Preferred Stock,	-	-	-	-	-	-	6,347,803 00
Second Preferred Stock,	-	-	-	-	-	-	7,646,315 00
Common Capital Stock,	-	-	-	-	-	-	15,906,138 02

The Company is authorized to issue such additional amounts of First Preferred and Second Preferred Stock as may be necessary for the payment of future interest on the Six per Cent. Mortgage Gold Bonds of 1908, Series B, and on the Six per Cent. Mortgage Currency Bonds of 1918, until the same becomes payable in money, as provided in the mortgages, and as hereinafter described, and the issue of each is strictly limited to the amounts required for these purposes respectively.

BONDED DEBT. (Sep. 30, 1880.)

Sundry obligations issued on account of the purchase money, representing prior liens existing on portions of the property at the time of purchase, - - -	1,042,719 61
PURCHASE MONEY FUNDING BONDS, issued in lieu of a like amount of the original indebtedness of the above character previously paid off, - - -	998,000 00
Total prior lien indebtedness outstanding, -	\$2,040,719 61

The Purchase Money Funding Bonds are dated July 1, 1878; payable twenty years after date with interest at the rate of Six per Cent. per annum, payable January 1 and July 1, in gold coin in the City of New York; and are authorized to be issued for the purpose of funding the above purchase money obligations, or in lieu of the same as they are paid off and cancelled.

The deed of trust by which the foregoing indebtedness is secured is the first lien upon all the property and franchises of the Company; and the aggregate amount secured by it, including the original purchase money obligations and the Purchase Money Funding Bonds combined, cannot at any time exceed the sum of \$2,350,000.

SIX PER CENT. MORTGAGE GOLD BONDS OF 1908, SERIES B, dated July 1, 1878, payable July 1, 1908. Interest six per cent. per annum, payable on the first days of May and November in each year in the City of New York, - - - - -	\$15,000,000
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Interest payable as follows, viz. : November 1, 1878, and for three years thereafter, in the First Preferred Stock of the Company ; for the fourth year, three per cent. in first preferred stock, and three per cent. in gold coin ; for the fifth year, two per cent. in first preferred stock and four per cent. in gold coin ; for the sixth year and thereafter wholly in gold coin ; the company having the right to commence the payment of interest in gold coin sooner, or to pay interest in greater proportion in gold coin at any period, than above specified, whenever the revenues of the road will permit. Secured by a mortgage upon the entire railroad, property and franchises of the Company, executed to the Central Trust Company of New York, Trustee, dated July 1, 1878, subject to the prior lien for the purchase money above described.

(The mortgage by which the above described bonds are secured provides also for the issue of \$2,000,000 of bonds, to be known as "Six per cent. mortgage gold bonds of 1908, Series A," payable July 1, 1908, interest payable on the first day of April and October in each year in gold coin, having equality of lien on the main line of the road with the bonds of Series B, in addition to which the lien of the bonds of Series A will be extended over the new line from Richmond to Newport News, and the wharves, warehouses, and other terminal property of the Company connected therewith.

The Bonds of Series A are reserved for extending and improving the railroad and property of the Company, and will be issued only as they are required, and can be used to advantage, for these purposes, and the interest thereon is payable in money from the date of their issue.)

AMOUNT OF SERIES A ISSUED, OUTSTANDING, AND SUB-
SCRIBED FOR, - - - - -

\$1,241,000

SIX PER CENT. CURRENCY BONDS OF 1918, dated July 1,
1878, payable July 1, 1918. Interest payable on the
first day of January and July of each year in the City
of New York, - - - - -

\$10,122,500

Interest payable as follows, viz. : For the first six years in Second Preferred Stock of the Company ; for the seventh year, four per cent. in second preferred stock and two per cent. in lawful money of the United States ; for the eighth year, two per cent. in second preferred stock and four per cent. in money ; and for the ninth year and thereafter wholly in money, provided the revenues are sufficient for the purpose after the payment of operating expenses, and providing for the necessary maintenance and equipment of the road, and the interest on bonds secured by prior mortgages ; all interest not paid in money to be paid in Second Preferred Stock ; the Company having the right to commence the payment of interest in money sooner, or to pay interest in larger proportion in money at any time, than as above specified, whenever the revenues of the road will permit. Secured by a mortgage executed to ALEXANDER B. GREEN and ISAAC E. GATES, Trustees, dated July 1, 1878, on the entire road, property, and franchises of the Company, subject to the liens above described.

The route of the Chesapeake and Ohio Railway with its existing and projected connections, can be traced on any good railroad map of the United States ; or maps can be obtained at our office, or at the office of the Company, No. 9 Nassau Street.

When the plans, referred to in the foregoing pages, for building the road to Newport News, and for making direct rail connections West, are carried out, as they are expected to be within the next six months, the Chesapeake and Ohio Railway, with its obvious advantages of grades, climate, distances and terminal harbor facilities, must become one of the most important of the great East and West trunk lines, and command a corresponding proportion of the business.

As showing the steady increase in the business of the road, even during the recent period of depression, we

give on page 21 a table showing the tonnage, the rates per ton per mile, and the earnings and expenses for each fiscal year since Oct. 1, 1873. It will be seen that while the tonnage has largely increased each year, the increase has not heretofore fully appeared in the earnings, for the reason that the rates per ton per mile have until the last year steadily decreased, as in the case of all the other transportation lines, until the greatest point of depression was reached in the year ending Sept. 30, 1879.

The increase in the actual tonnage hauled from the fiscal year ending Sept. 30, 1874, to that ending Sept. 30th, 1879, was 125 per cent—an average rate of increase of over 20 per cent. per annum. The increase for the year ending Sept. 30, 1880, has been $37\frac{1}{2}$ per cent., derived wholly from the same sources of business, without any increase in the mileage operated or in the territory reached. As the development of the local business of the road and of the products and industries along its line are still in their infancy, it cannot be doubted that, with the increased activity and prosperity which are likely to characterize the ensuing seven years, and with the contemplated rail connections and improved terminal facilities, a still greater ratio of increase can be counted upon.

Rates have materially improved during the past year, and with the increase of business, which is now crowding the various lines of transportation, and the consequent cessation of the sharp competition of the past few years, they are likely to continue to increase until they approximate those of former times; and that they will very soon reach, and maintain for years to come, at least the average of the past seven years, on the Chesapeake and Ohio, is not improbable. This average, as shown by the accompanying table, has been about $1\frac{15}{100}$

cents per ton per mile, at which very moderate rate the revenues of the road for the past fiscal year, with the tonnage actually carried, would have been over \$3,100,000.

It will thus be seen that, notwithstanding the unfavorable conditions which have prevailed during most of the time for the past seven years, the road has already, without rail connections West or deep-water terminal facilities at this end, accumulated a tonnage, the results of which, owing to the concurrent reduction in rates, have not as yet been fully exhibited in a corresponding increase of earnings; but which would, without any increase, and with only a moderate advance in rates, yield a net revenue of over \$1,200,000, or more than sufficient to pay the interest in money on the \$15,000,000 Series B Bonds, after providing for the interest on the Purchase Money Funding Bonds and the Bonds of Series A, if the same were all outstanding.

We look for a steadily increasing tonnage from this time forward, and a corresponding increase in earnings; and believe that, with the completion of its Western and deep water connections, the Chesapeake and Ohio Railway will show results which will afford the most satisfactory evidence of its ability to pay the interest on its bonded indebtedness, and in time good dividends to its stockholders.

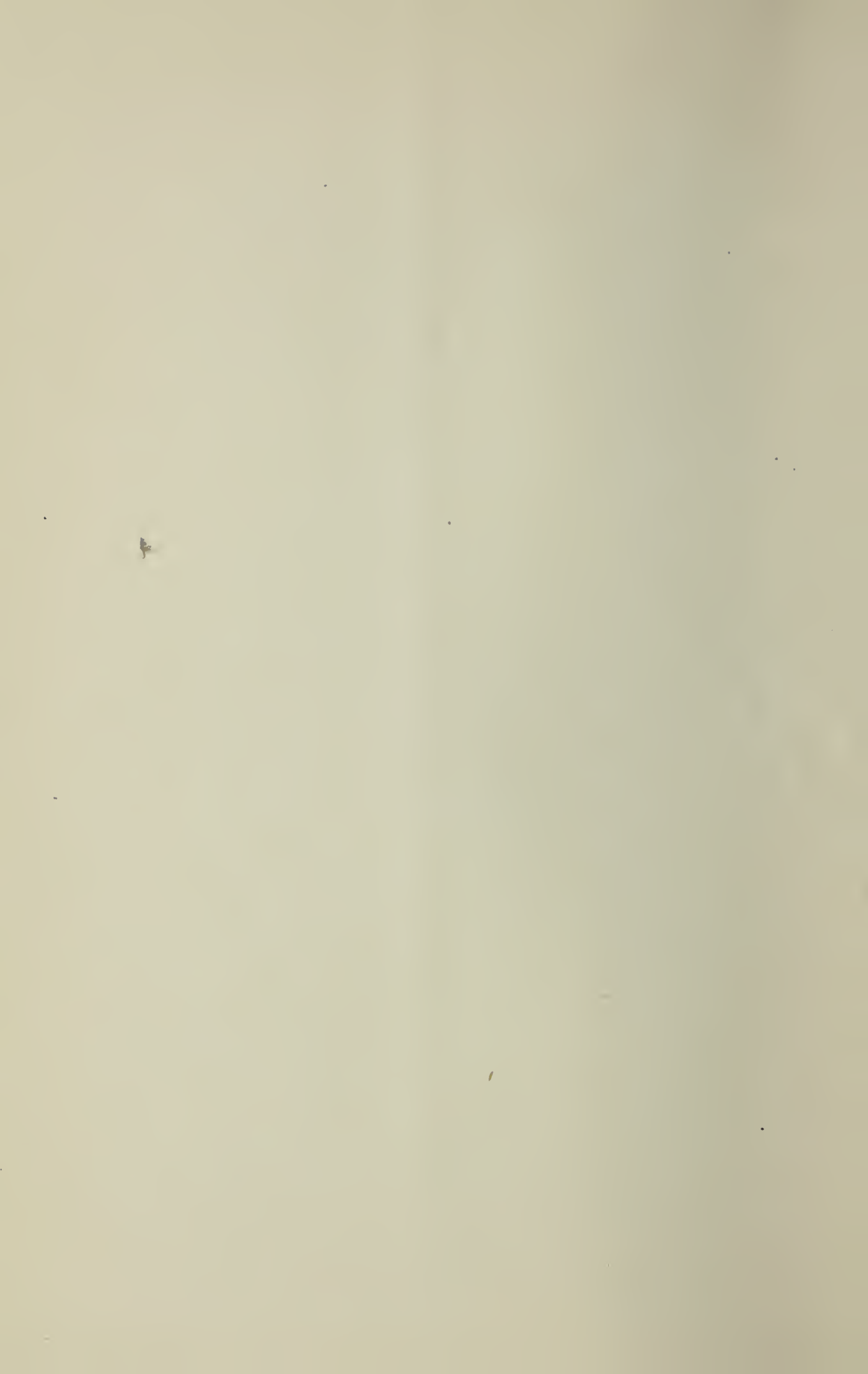
COMPARATIVE STATEMENT OF THE *Freight Tonnage, Earnings and Operating Expenses of Chesapeake and Ohio Railway,*

SHOWING THE STEADY GROWTH OF ITS FREIGHT TRAFFIC

FROM 1873 TO 1880—SEVEN YEARS.

Fiscal Year ending Sept. 30.	Total Number Tons of Freight Hauled.	Average Length of Haul. Miles.	Number of Tons of Freight Hauled One Mile.	Average per Ton per Mile, in Cents.	Earnings from Freight.	Earnings from Passengers and other sources.	Total Earnings.	Operating Expenses.	Net Earnings.
1874	306,465	196.68	60,275,536	1.50	\$950,312 33	\$509,877 60	\$1,460,189 93	\$1,214,340 48	\$245,849 45
1875	359,569	184	66,160,696	1.48	993,862 50	465,326 98	1,459,189 48	1,112,320 70	346,868 78
1876	415,462	235	97,633,570	1.20	1,177,942 36	421,770 19	1,599,712 55	1,243,035 95	356,676 60
1877	471,660	248	116,971,680	1.10	1,285,184 51	417,348 24	1,702,532 75	1,363,224 86	339,307 89
1878	588,066	260	152,897,160	.98	1,508,161 52	428,199 16	1,936,360 68	1,594,739 10	341,621 58
1879	686,526	244	167,833,065	.86½	1,457,424 02	434,118 25	1,891,542 27	1,507,332 67	384,209 60
1880	941,124	245	230,219,551	.88	2,020,094 23	494,151 58	2,514,245 81	1,944,956 96	569,288 85

NOTE.—Included in the "Operating Expenses" for the fiscal year ending September 30, 1880, is the sum of \$206,723.49, for steel rails and \$23,607.50 for fastenings used in laying the same, making a total of \$230,320.99, which should be considered as extraordinary expenses. Deducting this amount would show a net revenue for the year of \$799,609.84 over operating expenses proper.



From CHAS. A. WHITING & CO.
DEALERS IN UNITED STATES BONDS
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